NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ CAR LEASES

* Go to [www.ford.com](http://www.ford.com)
* Select FORD cars (in the middle, left side of the page)
* Select a model of car (ford focus, ford taurus, etc.)
* On this webpage, on the right hand side, there should be 2 prices for the car: the MSRP and right below it, the lease price (a certain amount of money for a certain amount of months). Fill in the chart below with this info.
* Do this for 4 other Ford cars and fill in the chart.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Manufacturer | Make | Model | MSRP | Loan length (months) | amount per month | Total paid (amount x # payments) |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

* For each of your leased cars, assume the car **depreciates** (decreases in value) by 10% each year. Fill in the chart for each of your cars:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CAR | MSRP (new) | value after 1 year (subtract 10%) | value after 2 years (subtract 10% of the value from 1 year old) | value after 3 years (subtract 10% of the value from 2 years old) | value after 4 years (subtract 10% of the value from 3 years old) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

* Compare the amount you paid in the lease to the amount the car is worth after the term of the lease in the chart below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| CAR | Amount you paid during the lease (from the first chart) | amount due at signing | Total paid during lease (first column + second column) | Length of the loan (in years) | Value of the car after the loan (use the chart above) | MSRP |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

Let’s estimate a monthly payment for a car:

* Go to [www.ford.com](http://www.ford.com)
* Click on Shopping tools
* Click on any of the cars listed
* Do the “finance payments”
* Give the website a minute and it will re-adjust with the MSRP and the down payment.
* You will notice that there is $0 in the trade-in box. Change this to $1000. Also, make sure that the lease is 72 months (click on 72 if it’s not already highlighted). Give the website a minute to re-adjust the payment.
* The payment is on the right hand side of the page, in really big font. Fill in the chart below with the info.
* Now click on 48 months for the terms (give the webpage a moment to re-adjust). Fill in the chart with the new payment number
* Next, click the tab that says “Lease Payments”
* Make sure that there are 48 payments highlighted. Fill in the chart below with the info
* Now change the number of payments to 27. Fill in the chart below with the new payment info.
* Now change the annual amount of miles to 15000. (Keep the lease at 27 months) Fill in the chart below with the new payment info.
* Repeat this process with 2 other Ford cars.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CAR | PAYMENT: Financing for 72 months | PAYMENT: Financing for 48 months | PAYMENT: Leasing for 48 months | PAYMENT: Leasing for 27 months | PAYMENT: Leasing with 15,000 annual miles |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

* What is has a lower monthly payment? Financing (buying) over 48 months (third column above) or leasing over 48 months (fourth column above)? By how much?
* However, what is REALLY better? After 48 months of financing (buying), what do you have (own)? After 48 months of leasing, what do you have (own)??